

80-81

1980-81 PROGRESS REPORT

STATE OF ARIZONA

ARIZONA DEPARTMENT OF TRANSPORTATION

AERONAUTICS DIVISION

A E R O N A U T I C S D I V I S I O N

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HISTORY

The history of the Arizona Department of Transportation, Aeronautics Division, begins with the creation of the Arizona Aviation Authority in March of 1950. The Authority originally consisted of an unpaid board of five members serving three-year terms. The primary purpose of the board was to advise the Governor and the legislature on aviation matters.

In May of 1955, a part-time director was appointed. Later that same year, the position became full-time. The Authority started monthly publication of a newsletter in 1956 and an airmarker program to aid in cross-country navigation in 1958. By 1959 the Authority had begun assisting communities in developing airfields. In 1962, the legislature created the Arizona Department of Aeronautics and appropriated funds to assist in construction of a Grand Canyon National Park Airport. Construction design began in 1963, and the airport officially opened two years later.

The old Department of Aeronautics was controlled by a seven-member Aeronautics Board. The Board members were appointed to five-year terms by the Governor and the Senate. The primary function of the Board was to budget funds for airport development.

In 1974, the Departments of Aeronautics, Highways and Motor Vehicles were combined to form the present-day Arizona Department of Transportation.

AUTHORITY AND RESPONSIBILITY

The Department is composed of six divisions; Aeronautics, Public Transit, Highways, Transportation Planning, Motor Vehicles and Administrative Services. The Aeronautics Division is charged by state law to: encourage and advance the safe and orderly development of aviation in the state; assemble and distribute to the public information relating to aviation; represent the state on issues of routing and rate schedules concerning commercial airline traffic; accept federal and other monies for airport development or air navigation facilities; operate the Grand Canyon National Park Airport, operators, certificate aircraft dealers; register non-airline aircraft within the state, and make recommendations on legislative and policy issues. For statutory references, see Arizona Revised Statutes, Title 28, Chapter 12.

The Division has recently been successful in obtaining legislation to allow for the leasing of the Grand Canyon Airport to a management company which specializes in such operations. We have also obtained new legislation to allow the division to deregulate the commercial flight operators and flying clubs. In the past three years, the division has recommended changes in the aircraft registration statutes to clarify the language and strengthen the enforcement. Additionally, a law was passed in 1979 to administratively earmark aviation gas at the point of entry into the state in order to collect previously unidentified aviation gas taxes. This statutory change increased aviation gas tax revenue by approximately \$250,000 per year.

The number of projects being administered has increased dramatically. From FY 1973 to FY 1978, the average number of projects completed each year was eleven. By 1980, this average increased to 39 per year, an increase of 250%. Fiscal year 1982 forecasts indicate an increase of 30% or over 50 projects will be completed.

Additionally, state expenditure amounts have increased as Figure #3 indicates. From FY 1973 to FY 1977, an overall increase averages 4.8%. In the period of FY 1978 to FY 1981, the average increased 800% and the FY 1982 amount shows another 70% increase from 2.9 million in FY 1981 to an estimated 5.0 million in FY 1982.

Project Narrative

All airport construction projects funded through the 5-Year Airport Development Program are subjected to constant technical review and monitoring from design through construction. During the design phase, the Airport Development Group assists sponsors in locating and interpreting design criteria. Also, engineering agreements, plans, specifications, and contract documents are reviewed for compliance with state grant requirements.

As the project progresses to the construction phase, the Airport Development section reviews bid tabulations, performs field inspections of work during construction, reviews field and laboratory procedures and test results, and analyzes and approves change orders. At the conclusion of the project, a final inspection is performed. As-built plans and certified final quantities are required before final payment is made. Projects are audited as needed to ensure compliance with grant and contractual requirements.

The Airport Development Group also provides technical support for special aeronautical studies and the development of conceptual airport plans. Local sponsors may, at any time, receive technical comment in the development of their airports.

Technical Assistance

Extensive technical assistance is provided to local airport sponsors with the objective of improving construction quality, decreasing construction costs, and simplifying administrative procedures through all stages of the project.

Construction quality is upgraded by the review of plans and specifications by the group's engineering section, improved requirements for field and laboratory testing of materials, and by the initiation of a record sampling program through the cooperation of the Highways Division.

Construction costs are being decreased by encouraging the use of locally available mineral materials, rather than using nationally developed FAA specifications which may require special crushing or extensive transportation. Construction of experimental pavements using less expensive binders such as sulfur is also being encouraged. The sponsor's administrative burden has been reduced by providing assistance through the airports program section in fulfilling both State and Federal requirements. Where possible, forms already

ADOT - AERONAUTICS DIVISION
AIRPORT DEVELOPMENT AID PROGRAM
(FEDERAL AID)

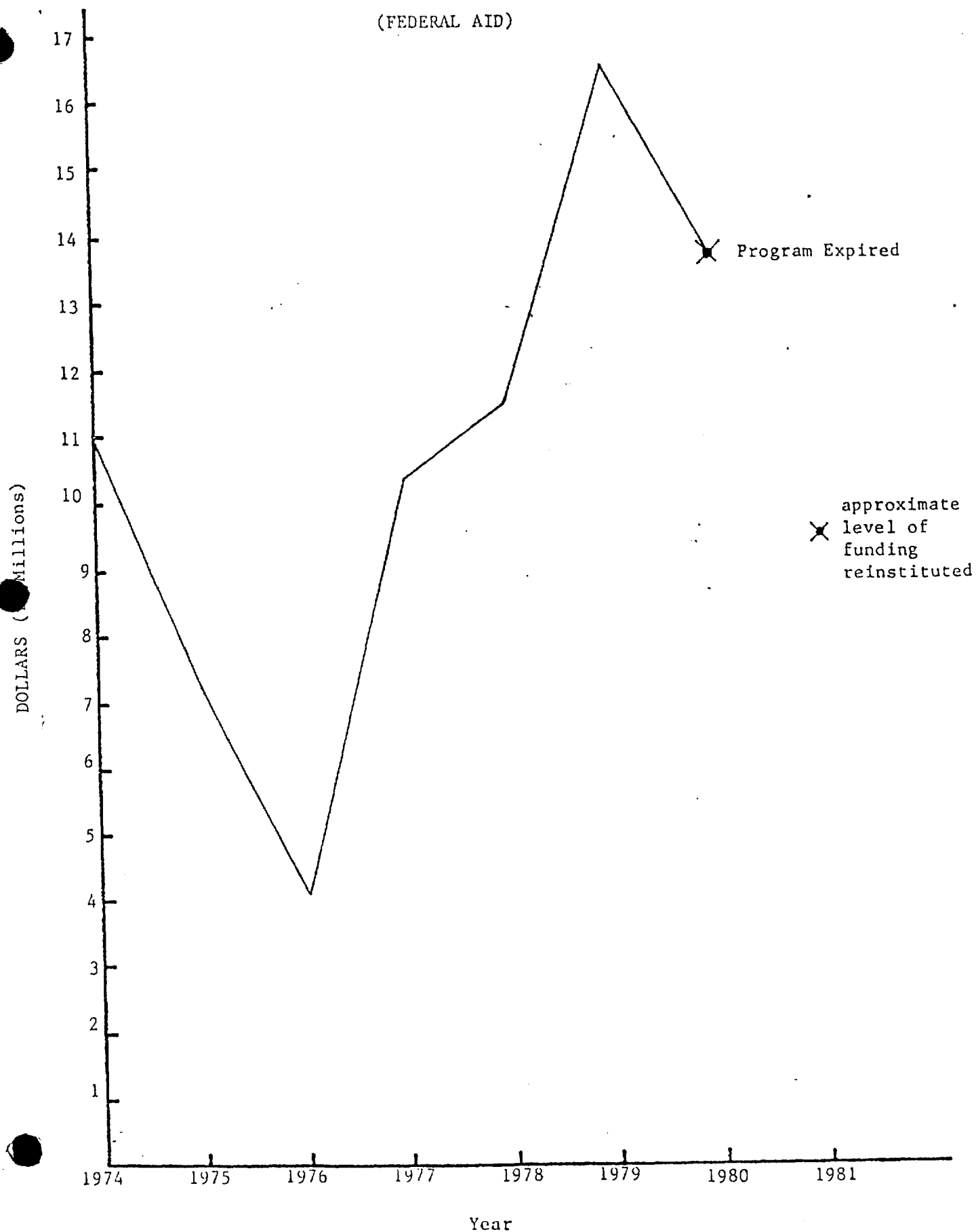


FIGURE #1

ADOT - AERONAUTICS DIVISION

AIRPORT PROJECT ACTIVITY

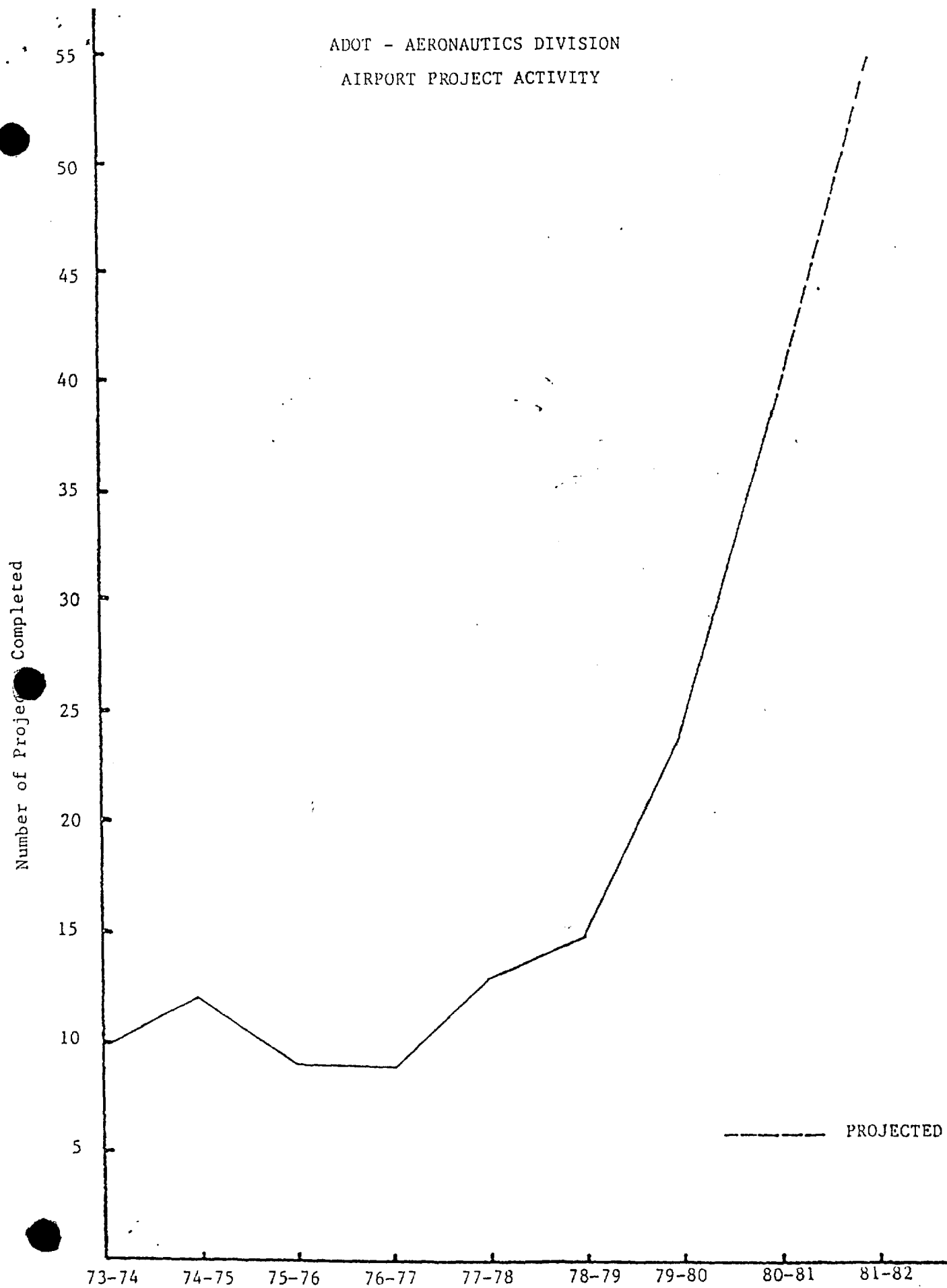
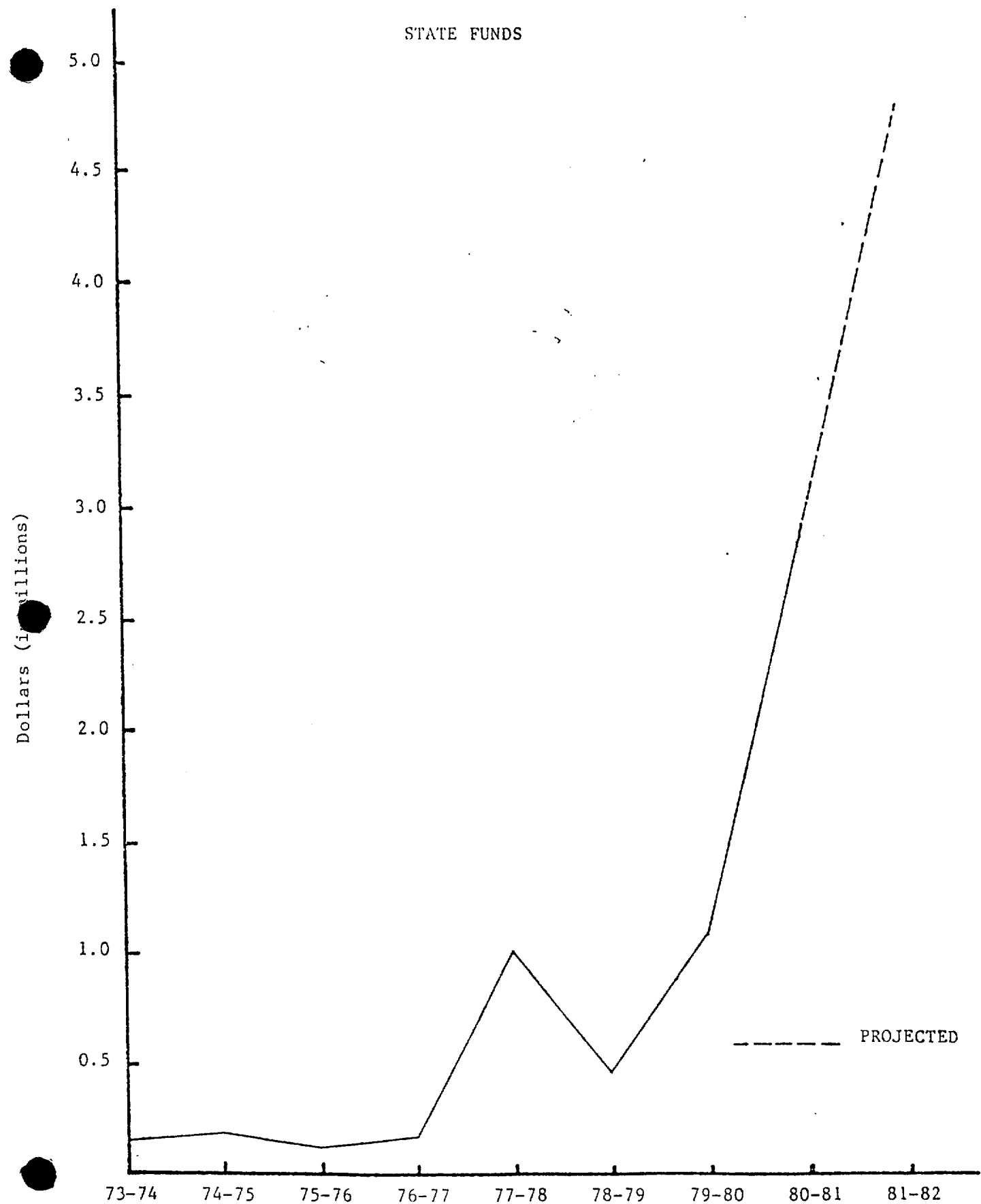


FIGURE #2

STATEWIDE AIRPORT PROJECTS

STATE FUNDS



Fiscal Year

FIGURE #3

AIRPORT PROJECT STATUS FOR FY 1981 (ENDED JUNE 30, 1981)

<u>Airport</u>	<u>Description</u>	<u>Proj Status</u>	<u>Actual Exp (State)</u>	<u>Total Project Amount (State)</u>	<u>Local</u>	<u>Federal</u>	<u>Total Project Cost</u>
Ajo	Rehabilitate Taxiway, VASI	Under Const		54,700.00	6,100.00		60,800.00
Apache Junction	EIA & Master Plan	Under Const	48,114.00	54,000.00	6,000.00		60,000.00
Avra Valley	Rehab Runway		259,935.00	259,935.00	28,881.00		288,816.00
Bagdad	R/W, P/A		25,625.56	25,625.56	25,625.57	135,142.00	186,393.13
Bisbee	MIRL, Beacon		72,000.00	72,000.00	10,229.80		82,229.80
Buckeye	Rehab R/W & P/A		217,276.90	217,276.90	24,141.88		241,418.78
Bullhead City	Parking Apron		90,891.73	90,891.73	10,099.08		101,080.81
Casa Grande	Environmental Assessment		346.50	346.50	346.50	7,007.00	7,700.00
Casa Grande	T/W, P/A		303,302.20	303,302.20	33,700.24		337,002.44
Casa Grande	Purchase land to extend R/W		56,843.00	56,843.00	6,316.00		63,159.00
Chandler	Fire Protection System	Under Const	202,594.05	212,400.00	23,600.00		236,000.00
Chandler	Aircraft Apron Paving		17,282.93	17,282.93	10,308.64	281,032.82	308,623.79
Cochise County	Master Plan (Countywide)	Under Const	15,135.12	54,000.00	6,000.00		60,000.00
Cochise County	MIRL		114,672.76	114,672.76	12,741.42		127,414.18
Colorado City	Site Selection & Master Plan	Under Const		29,700.00	3,300.00		33,000.00
Coolidge-Florence	Entrance Road	Under Const		79,650.00	8,850.00		88,500.00
Coolidge-Florence	MIRL/MITL/Beacon/Wind Cone		102,304.18	102,304.18	11,367.14		113,671.32
Coolidge-Florence	Parking Area		23,712.40	23,712.40	2,634.71		26,347.11
Cottonwood	Extend & Overlay R/W, MIRL		16,253.00	16,253.00	16,253.00	331,088.00	363,594.00
Douglas	ALP, R/W Surface Treatment	Under Const	15,428.52	45,000.00	5,000.00		50,000.00
Eloy	Resurface R/W, T/W		155,760.00	155,760.00	18,352.37		174,112.37
Falcon Field	Parallel R/W & R/W Ext & EIA	Under Const	62,433.00	90,000.00	10,000.00		100,000.00
Gila Bend	Master Plan		536.00	536.00	537.00	10,927.00	12,000.00
Glendale	EIA	Under Const		5,100.00	5,100.00	104,800.00	115,000.00
Glendale	Relocate Threshold	Under Const		27,000.00	3,000.00		30,000.00
Globe-San Carlos	P/A, T/W, MIRL, VASI, Wind Cone	Under Const	4,081.16	4,081.16			4,081.16
Grand Canyon	Exp Terminal/Equip&Storage Bldg	Under Const	145,619.19	282,313.57		980,523.00	1,262,836.57
Grand Canyon	Construct Service Facility	Under Const	9,557.51	240,000.00			240,000.00
Grand Canyon	R/W Sur/Sewer Sys/R/W Safety Area	Under Const	255,068.82	331,000.00		2,220,219.00	2,551,219.00
Grand Canyon	Expand Parking Apron		96,803.00	96,803.00		654,867.80	751,670.80
Grand Canyon	Tree Cutting		15,105.85	22,900.00	22,900.00	340,732.00	386,532.00
Greenlee County	Parking Apron, Grade & Drain T/W	Under Const	47,532.52	165,800.00	18,400.00		184,200.00
Greenlee County	Resurface R/W & P/A		61,080.44	61,080.44	6,786.71		67,867.15
Holbrook	Overlay Runway, Land Acquisition	Under Const	15,895.53	21,782.00	21,782.00	443,733.00	487,297.00
Nogales	Parking Apron, Entrance Road		74,105.58	74,105.58	1,400.00	195,492.42	270,998.00

AIRPORT PROJECT STATUS FOR FY 1981 (continued)

Page	Parallel T/W		36,810.09	36,810.09	38,271.68	749,871.93	824,953.70
Payson	Drainage Project		2,836.41	2,836.41	315.16		3,151.57
Payson	Paving Apron	Under Const	58,793.16	60,000.00	6,000.00		66,000.00
Prescott	Rehab R/W, T/W, VASI		30,394.25	30,394.25	30,394.25	619,172.33	679,960.83
Pulliam	Rehab R/W		228,286.00	228,286.00	228,286.00	4,650,489.00	5,107,061.00
Phoenix-Deer Valley	Pavings for Tie-Downs & T/W's	Under Const		170,000.00	18,889.00		188,889.00
Phoenix-Litchfield	Seal Coat Runway	Under Const		100,800.00	11,200.00		112,000.00
Phoenix-Litchfield	Rotating Beacon	Under Const		13,500.00	1,500.00		15,000.00
Ryan Field	Utilities	Under Const		73,300.00	8,150.00		81,450.00
Ryan Field	P/A, Security Lighting, MITL		108,000.00	108,000.00	16,537.61		124,537.61
Ryan Field	Utilities		67,000.00	67,000.00	36,618.75		103,618.75
Safford	Parking Apron	Under Const	7,897.50	108,000.00	12,000.00		120,000.00
Safford	MIRL		5,740.32	5,740.32	5,740.32	116,938.14	128,418.78
Scottsdale	P/A, Security Lighting		59,663.02	59,663.02	59,663.03	350,000.00	469,326.05
Scottsdale	Non-Directional Beacon		12,312.00	12,312.00	1,985.75		14,927.75
Scottsdale	Land Acquisition		250,000.00	250,000.00	92,832.23	500,000.00	842,832.33
Sedona	Master Plan		536.00	536.00	537.00	10,927.00	12,000.00
Show Low	Parking Apron	Under Const		126,037.00	13,963.00		140,000.00
Show Low	Utilities		3,672.40	3,672.40	3,672.40		7,344.80
Springerville-Eager	VASI	Under Const	3,134.88	27,000.00	3,000.00		30,000.00
St. Johns	Rehab R/W		21,335.68	21,335.68	21,335.68	434,636.81	477,308.17
Taylor	Seal Coat R/W, Resur P/A, ALP		13,326.44	45,000.00	5,000.00		50,000.00
Taylor	Repairing Runway Surface		14,202.00	14,202.00	1,578.00		15,780.00
Wickenburg	P/A, Tie-Downs, ALP		63,517.42	63,517.42	7,057.49		70,574.91
Williams	Master Plan	Under Const	8,953.07	13,500.00	1,500.00		15,000.00
Williams	Overlay Parking Apron		50,882.78	50,882.78	5,653.65		56,536.43
Williams	Parking Apron		12,107.00	12,107.00	12,631.00	150,000.00	174,738.00
Winslow	P/A, Sec Lighting, Access Rd	Under Const	23,086.53	43,009.00	30,009.00	611,322.00	684,340.00
	Fire Protection System						
Yuma	Land Acquisition, Expand P/A	Under Const	13,458.69	27,237.00	27,237.00	485,822.00	540,296.00
Yuma	Auto Parking		99,000.00	99,000.00	19,056.00		118,056.00
	TOTALS		\$3,810,244.09	\$5,371,926.28	\$1,095,125.34	\$14,384,743.25	\$20,851,794.87

AIRCRAFT REGISTRATION

The aircraft registration section is responsible for collection of an aircraft registration fee and a lieu tax of one percent of the average fair market value. These fees and taxes must be paid annually by the last day in February or within 60 days after entry into the state. Dealer aircraft are exempt from the lieu tax if the aircraft is flown for demonstration flights only. An aircraft which is not airworthy is also exempt if a proper exemption affidavit is filed. The revenues collected are deposited in the state aviation fund and can only be used for construction, development and improvement of publicly owned airports throughout the state.

Aircraft registration has grown at a very rapid rate since 1976. The number of registered aircraft has increased by 64%, while collections during this same period have increased 254%. Revenue projections for 1982 indicate over \$2,300,000 will be collected.

Often the only manner in which a tax can be collected is to issue a lien and seizure in accordance with A.R.S. 28-1762. During 1980-81, 363 liens were issued and 163 aircraft seized for non-payment of taxes.

This section works closely with all the law enforcement agencies. Registration records are helpful in determining true ownership and historical ownership of an aircraft, as well as its base of operations. This section has developed a reputation for having the most current ownership information available.

The aircraft registration staff has been successful in getting banks and lending agencies to rewrite their manuals on aircraft loans to check with the Division to ensure an aircraft is properly registered with the state. This has been very beneficial to the lending agencies, the prospective buyer and the Division.

During the past year, the registration records have been placed on line with the Department's computer center. This allows for better service concerning ownership and registration inquiries by owners, banks and law enforcement agencies.

Fiscal Year 1980-81

Number of Aircraft Registered - 6,054

Balloons	51
Gliders	111
Antiques	227
Experimentals	126
Helicopters	150
Land planes	5179
Agricult. planes	142
Army Surplus	68

ADOT AERONAUTICS DIVISION
NUMBER OF AIRCRAFT REGISTRATIONS

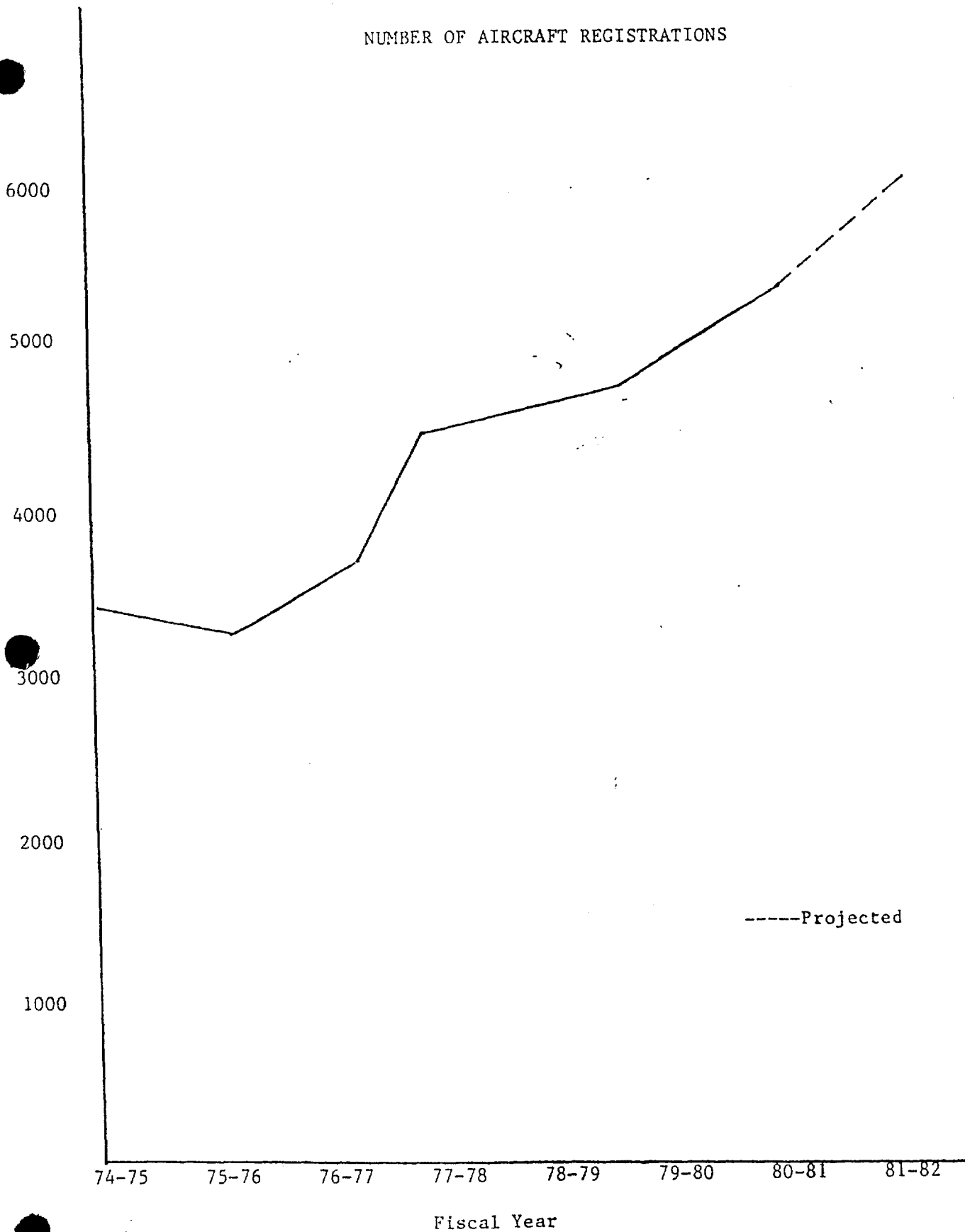


FIGURE #4

HISTORICAL
AIRCRAFT REGISTRATION DATA

<u>Fiscal Years</u>	<u>Aircraft Registered*</u>	<u>Aircraft Lieu Tax</u>	<u>Aircraft Registration Fees</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total Revenue from Lieu Tax & Registration Fees</u>
66-67	1,386		5,132			5,132
67-68	1,541		5,037			5,037
68-69	1,795	103,528	8,818			112,346
69-70	2,135	150,058	10,872			160,930
70-71	2,499	160,731	12,248			172,979
71-72	2,945	210,202	15,238			225,440
73-74	3,283	239,821	16,308			256,129
73-74	3,463	424,776	18,641			443,417
74-75	3,487	468,546	19,590			488,136
75-76	3,273	511,330	19,585			530,915
76-77	3,572	708,310	22,216			730,526
77-78	4,501	939,772	23,820			975,688
78-79	4,643	1,266,325	24,972			1,298,297
79-80	4,803	1,608,107	26,156			1,686,943
80-81	5,355	1,851,033	27,560	18,662	8,374	1,905,629

* Excluding Dealers and stored aircraft - calendar data

Sources - Aeronautics Division, Arizona Department of Transportation

ADOT - AERONAUTICS DIVISION
AIRCRAFT REGISTRATION AND LIEU TAX COLLECTED

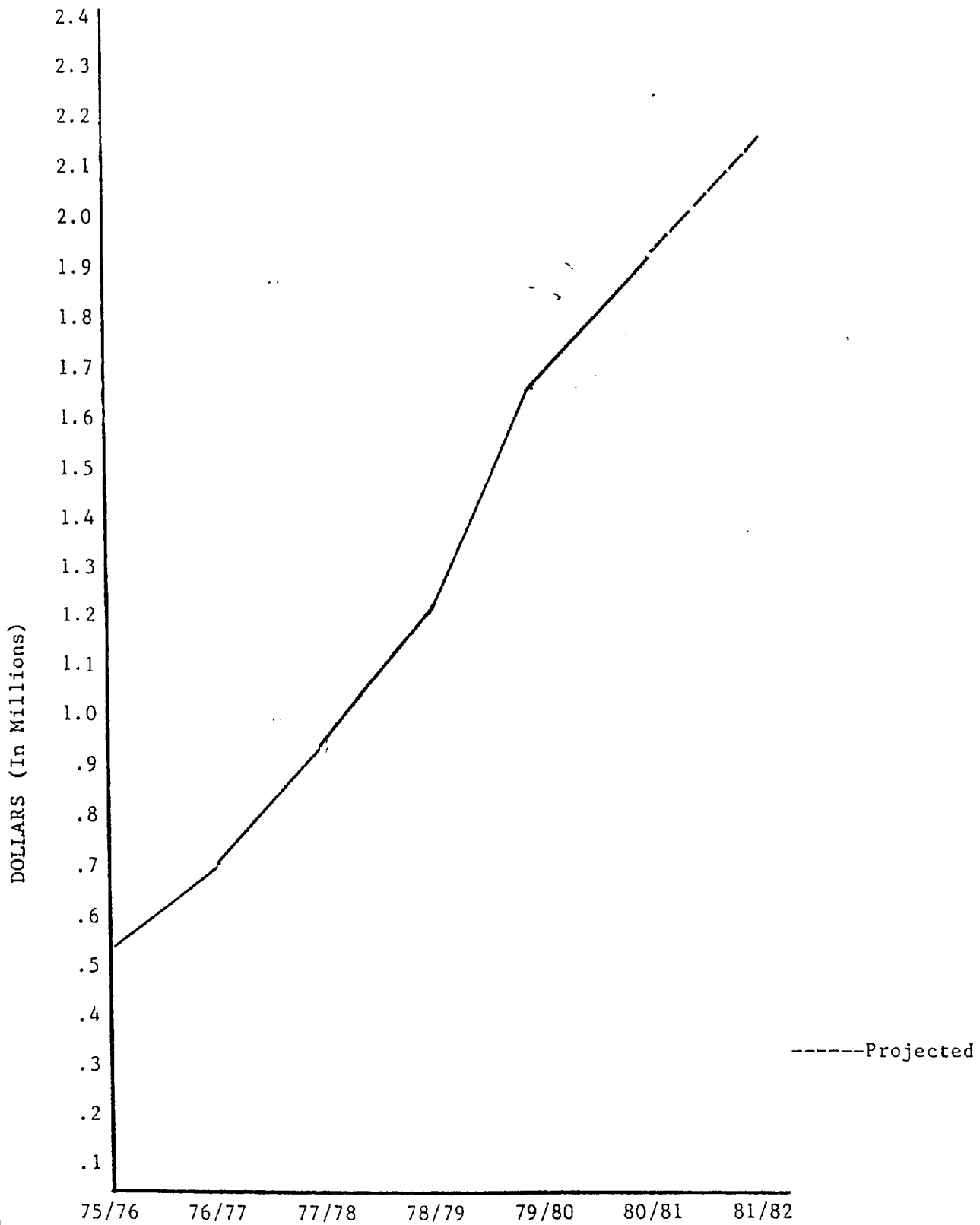


FIGURE #5

ADMINISTRATION

This section is responsible for the day-to-day operations of the Division. The activities of the Assistant Director and the Deputy Assistant Director are included under this section. The Administrative Section is continually involved with a wide spectrum of aviation issues which range from answering inquiries from the public to involvement in national issues of major significance to the aviation community. Activities during the past year have resulted in greater public awareness of aviation, greater airport sponsor involvement with their airport and aviation issues, and more assistance being given to aviation groups. As an example, the Division has been instrumental in assisting airport managers in putting together a statewide association.

On a national level, the Assistant Director has served and is serving on the National Association of State Aviation Officials Board of Directors. This activity has led to involvement in formulation of Airport Development Aid Program funding legislation; as a member of the National Association of State Aviation Officials Air Service Committee, a critical analysis of the Civil Aeronautics Board (CAB) has been developed for re-directing efforts in air service cases. Finally, as chairman of the Community Liason Committee, an emphasis has been placed on the local aviation community of each state in developing communications and awareness of legislative and regulatory changes which might affect them. The Administrative section supplies all support staff for the operational sections, including budget preparation, accounting and fiscal controls, management policy and direction. Also provided are all secretarial and clerical assistance, records management and personnel services within the Division.

This section closely monitors the State Aviation Fund revenues and expenditures. The Aviation Fund receives revenue from a variety of sources. Aviation gas is taxed at 8¢ per gallon of which 7¢ is refundable. Non-airline aircraft are required to register with the Division and pay a license tax of 1% of the fair market value of the aircraft. All revenues from the operation of the Grand Canyon Airport are deposited in the aviation fund. Any federal grants given to the Division are also listed as revenue, although technically, can be considered reimbursement for expenses incurred. Excess funds on deposit are invested by the State Treasurer.

The State Aviation Fund expenditures are approved through an annual budget cycle by the State legislature. The legislature approves an administrative budget, a Grand Canyon operating budget and the remaining available funds in a lump sum amount to be used for airport construction and development.

The Transportation Board, through public hearings and a priority rating system, approve individual airport construction projects as published in the Five-Year Construction Program.

This section also has worked closely with the Transportation Planning Division in developing special planning studies, monitoring and analyzing proposed state and federal legislation, reviewing aviation activity forecasts, analyzing CAB proposals, reviewing local development (Land Use) proposals and assisting with the five-year airport improvement program. Publications jointly produced

are as follows:

State Airport System Plan - SASP - A statewide analysis of airports was completed in 1978. The study investigated the requirements to ensure an adequate system to serve the future needs of aviation in Arizona. Since that time, the plan has been continually updated to make it a working document rather than a planning document. Examples of the information updated and contained in the SASP include: activity forecasts of airports throughout the system, aerial photos of the airport and population forecasts of the adjacent communities.

Airport Needs Study - A comprehensive study of the current status needs in terms of maintenance and improvement at all airports in the state was completed. The study showed a requirement for \$251 million at airports during the next ten years and a shortfall over current revenues of approximately \$130 million.

Special Studies - An analysis of the way state and federal airports are funded and basic research on the economic impact of aviation on the Arizona economy have been completed. Copies of any publication may be obtained by writing to the Division.

AERONAUTICS DIVISION
ADMINISTRATION
REVENUE AND EXPENDITURES

1976 - 1981

1976 - 1977 1977 - 1978 1978 - 1979 1979 - 1980 1980 - 1981

Revenue:

Aviation Fuel Tax	259,000	^{284,000} 280,000	^{339,000} 334,000	^{343,000} 316,000	^{449,000} 441,000
Aircraft Lieu Tax	708,000	^{948,000} 935,000	1,268,000	1,614,000	1,858,000
Aircraft Reg. Fee	38,000	^{38,000} 34,000	^{35,000} 35,000	^{46,000} 46,000	^{48,000} 48,000
Misc & Investments	41,000	193,000	217,000	375,000	479,000

Investment

TOTAL

^{1,030,000} \$1,046,000	¹ \$1,442,000	^{1,847,000} \$1,854,000	² \$2,351,000	^{2,807,000} \$2,826,000
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Percent of Increase

27.3%	^{39.9} 37.8%	^{28.2} 28.6%	^{27.3} 26.8%	^{19.3} 20.2%
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Expenditures:

FTE	9	10	10	11	12
Personal Services	106,800	140,000	148,800	153,500	232,400
ERE	18,700	26,200	28,100	29,100	45,800
Prof & Outside	3,500	14,800	32,400	29,100	32,300
Travel-in-State	8,000	8,300	9,100	10,800	12,100
Travel-out-State	1,200	2,500	6,200	7,780	5,200
OOE	29,700	34,600	54,650	43,470	57,500
Capital	1,100	0	700	150	

Reimbursement to

Highway Fund

<u>0</u>	<u>35,000</u>	<u>20,000</u>	<u>20,000</u>	<u>64,500</u>
\$ 169,000	^{261,400} \$ 262,000	\$ 299,950	^{293,900} \$ 293,000	^{449,800} \$ 450,000

Percent of Increase

14.2%	^{54.7} 55.5%	^{14.7} 14.4%	^(2.0) 1.5%	^{53.8} 53.8%
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Airport Development

Miscellaneous

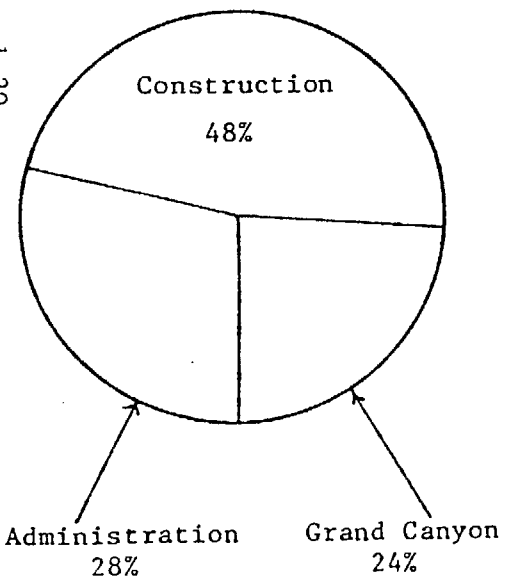
Total Expenditures

Net Income (Loss)

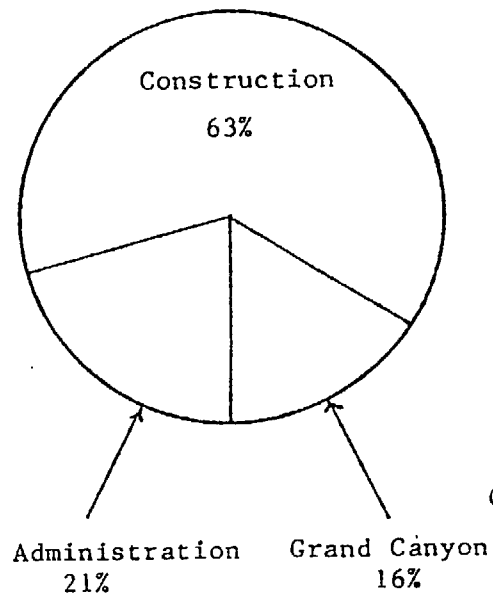
205,000	514,000	443,000	1,617,000	2,917,000
9,000	4,000	2,000	0	16,000
383,000	^{779,400} 780,000	^{744,950} 743,450	1,910,900	^{3,382,800} 3,384,000
<u>\$ 663,000</u>	<u>\$ 662,000</u>	<u>\$1,100,550</u>	<u>\$ 440,100</u>	<u>\$ 558,000</u>
<u>647,000</u>	<u>661,600</u>	<u>1,102,050</u>	<u>441,100</u>	<u>(575,800)</u>

ADOT - Aeronautics Division
State Aviation Fund Dollar Allocation

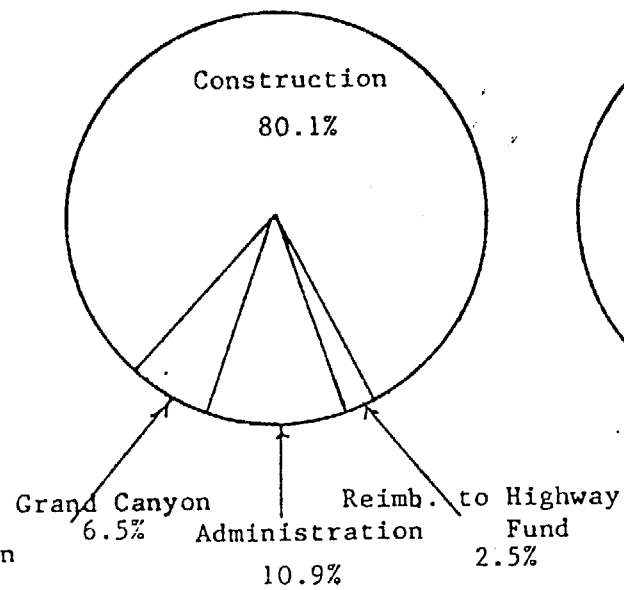
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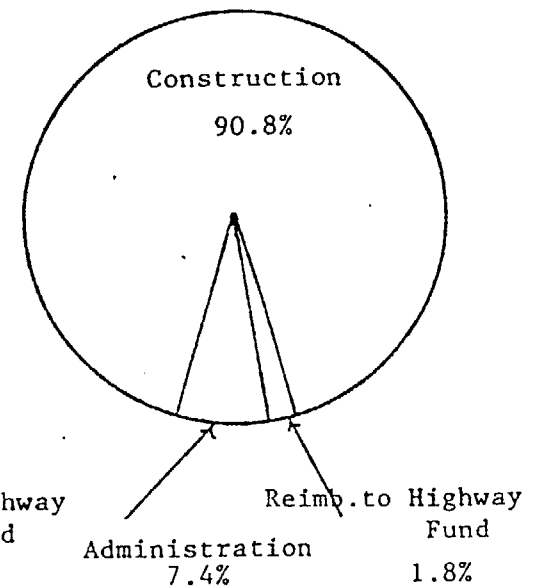
78-80



80-81



Projected
81-82



GRAND CANYON NATIONAL PARK AIRPORT

This section is responsible for the maintenance, operation and improvements of the only state-owned airport. Located seven miles from the south rim, the airport was originally constructed with funds provided from the Department of the Interior, the Federal Aviation Administration and the State of Arizona.

Today, it is the third busiest air carrier airport in the state following Phoenix Sky Harbor and Tucson International. The airport is served by Republic Airlines, Cochise Airlines and over 40 air-taxi and commuter carriers. Annual aircraft operations increased 31% during the year to 96,290 and the number of passengers enplaned is estimated to be 481,450.

The airport is operated by an airport manager, a building maintenance supervisor and a supporting staff of seven employees. They are responsible for keeping the airport and all its facilities operational 24 hours a day throughout the year.

An administrative rulemaking procedure was promulgated to establish new rates and fees for airport users. Financially, in terms of operational expenses, the airport is firmly operating in the black for the first time. Revenue figures indicate the airport made \$202,000 during the fiscal year 1980-81. Construction has begun on a terminal expansion project which will double the size of the terminal, increase auto parking and the project also includes a snow removal equipment building which will also be utilized as a maintenance facility.

ENPLANEMENTS AND EMPLOYEES AT PHOENIX, TUCSON AND GRAND CANYON AIRPORTS

<u>PHOENIX - Sky Harbor</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>	<u>EMPLOYEES</u>	<u>Ratio of Passenger to No. Employees</u>
Passenger Enplanements	3,323,026	3,411,324	3,265,109		
Total Operations	394,731	400,945	359,612	365	
FY-State thru June 30, 1981					8945 to 1
Phoenix					

<u>TUCSON</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>*FY 1981</u>	<u>EMPLOYEES</u>	<u>Ratio of Passenger to No. Employees</u>
Passenger Enplanements	969,825	901,215	854,088		
Total Operations	311,511	316,343	290,600	140	
FY-Federal, thru Sept 30, 1980					6100 to 1
*ADJUSTED-thru June 30, 1981					
Tucson					

<u>GRAND CANYON AIRPORT</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>	<u>EMPLOYEES</u>	<u>Ratio of Passenger to No. Employees</u>
Passenger Enplanements	332,100	481,450	499,640		
Total Operations	66,420	96,290	99,928	9	55,515 to 1
FY-State, thru June 30, 1981					
Grand Canyon					

Table Number - Grand Canyon Airport

The estimated number of passengers enplaned at the airport is shown in this table. The number has been estimated from the number of operations on an annual basis. The average type aircraft operating at the airport is a 10 passenger aircraft of the Cessna 414 category. An enplanement is defined as a passenger boarding or getting on an aircraft at an airport. Since 1976-77, the enplanements have gone from 230,045 passengers to 499,640 in 1981-82, or 117.19%

Revised: August 1981

ADOT - AERONAUTICS DIVISION
GRAND CANYON OPERATIONS W200

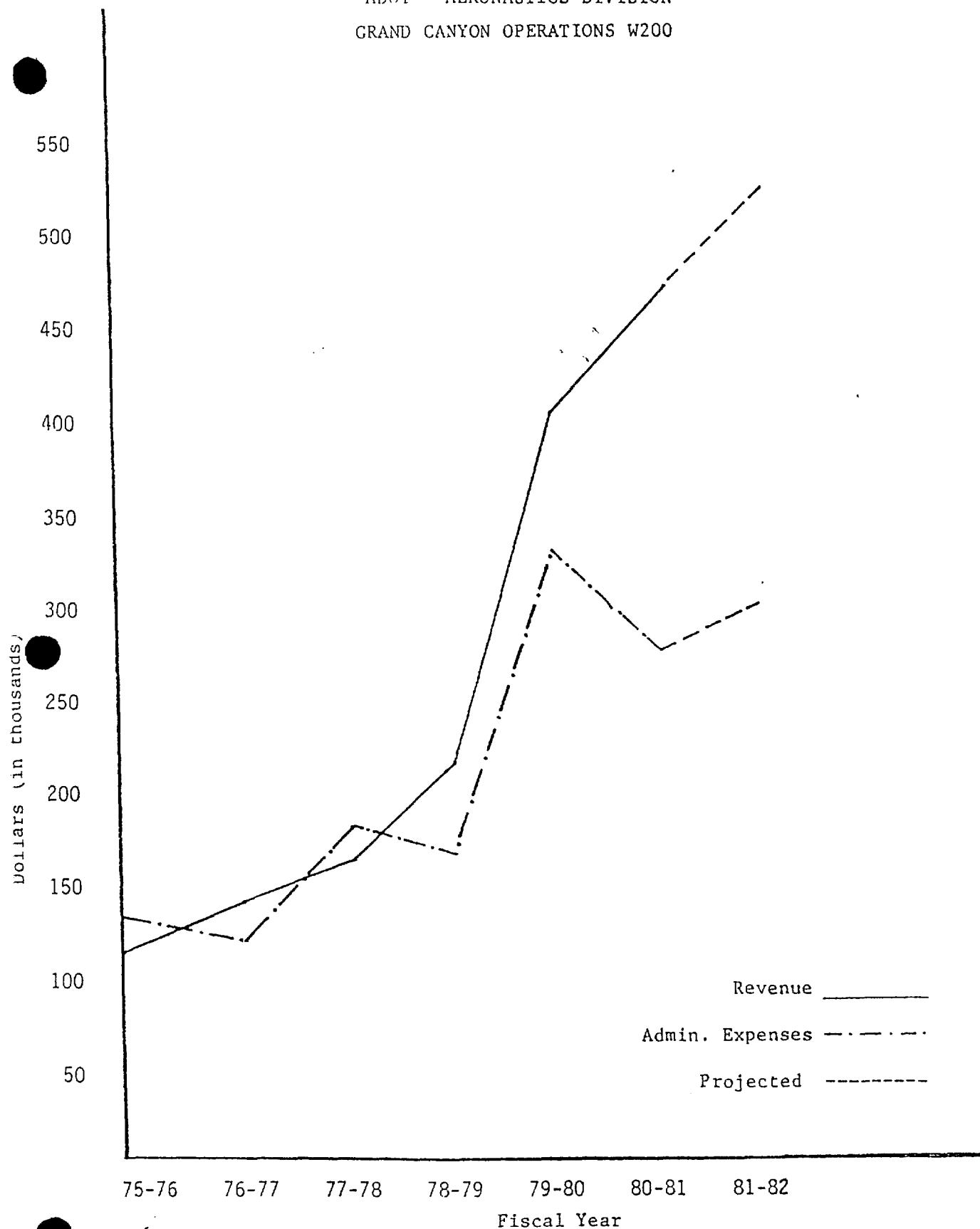


Figure #6

HISTORICAL
GRAND CANYON AIRPORT
REVENUE AND EXPENDITURES
AIRCRAFT OPERATIONS AND PASSENGERS ENPLANED

1976 - 1981

	<u>1976 - 1977</u>	<u>1977 - 1978</u>	<u>1978 - 1979</u>	<u>1979 - 1980</u>	<u>1980 - 1981</u>
Revenue	\$139,000	\$152,000	\$213,000	\$403,000	\$478,000
Percent of Increase	23.0%	9.3%	40.3%	89.0%	18.6%
Expenditures:					
FTE	5	6	6	6	9
Personal Services	58,407	66,111	73,570	95,840	120,300
ERE	12,561	16,105	19,040	21,860	28,000
Prof. & Outside	13,800	13,800	14,800	15,640	15,600
Travel-In-State	900	900	900	500	600
Travel-Out-State	375	375	200	1,635	2,600
OOE	38,050	41,620	50,250	55,195	106,200
Capital	<u>0</u>	<u>30,850</u>	<u>1,700</u>	<u>135,350</u>	<u>2,400</u>
Total Expenditures	\$124,093	\$169,761	\$160,460	\$326,020	\$275,700
Percent of Increase	9.1%	36.8%	5.4%	10.3%	18.3%
Net Income (Loss)	<u>\$ 14,907</u>	<u>\$ 17,761</u>	<u>\$ 52,840</u>	<u>\$ 96,980</u>	<u>\$202,300</u>
Grand Canyon Airport Annual Aircraft Operations	46,010	49,803	66,420	96,290	99,928
Percent of Increase		8.2%	33.3%	44.9%	3.8%
Estimated Annual Passengers Enplaned	230,045	249,015	332,100	481,450	499,640
Percent of Increase		8.2%	33.3%	44.7%	3.8%

FIGURE #7

1.25

Aviation Field Representative

This section is responsible for the dissemination of aviation information, air safety, aerospace education and assisting in air service analysis. The position also includes attendance at aviation function safety seminars, membership in the Aviation Safety Advisory Group and coordination with the Civil Air Patrol.

The Aviation Field Representative edits and arranges for publication of the monthly newsletter, "Aviation" as well as arranges for the printing of the aeronautical chart, Arizona Airport Directory and other aviation related information.

Additional activities include: research and writing for special proposals, responses and reports as needed in areas of expertise. The State and Regional Defense Airlift Program is maintained and updated on a regular basis by this section.

Efforts during the 1980-81 year were concentrated on legislation, helicopters, heliports, air service and Arizona Aviation Week. Aircraft Dealer registration was transferred to the Aircraft Registrar and air service analysis was added to the job responsibilities. The Governor signed into law the repeal of the statutes requiring certification of commercial flight operators and registration of flying clubs. Additionally, the Aeronautics Division sponsored a safety seminar in Phoenix, Tucson and Prescott and will continue this activity on a quarterly basis. A greater emphasis will be placed on special projects, safety and aerospace education.

Aeronautical chart publication for 1981 corresponded with the publication of the Arizona Airport Directory. Both publications have been well received by the flying community as a valuable flying tool.

At the time the legislation went into effect, the number of certified commercial flight operators and aircraft dealers and registered flying clubs were as follows:

Total Commercial Flight Operators	108
Total Aircraft Dealers	55
Total Fly Clubs	19

CIVIL AIR PATROL

The Aeronautics Division is responsible for the administration of an annual general fund appropriation of \$55,000 to the CAP to aid in search and rescue missions carried out in conjunction with the Emergency Services Division.

During the past three years, the Civil Air Patrol conducted the following activities:

	<u>1978-79</u>	<u>1979-1980</u>	<u>1980-81</u>
Missions	38	30	36
Sorties	425	443	150
Finds	12	13	13
Hours Flown	998	1,098	286
Number of Aircraft	11	15	15

AIR SERVICE

OVERVIEW

The air service section is responsible for the orderly development of the air transportation system serving the state. This section assists both communities and airlines in air service matters which are of a regional or statewide significance. It coordinates the development and makes policy recommendations concerning the State's position in relation to air service legislation, administrative rulemaking, and legal proceedings before the Civil Aeronautics Board (CAB), the Department of Transportation (DOT), or Congress. The air service section works with the other state agencies to ensure common directions are taken in the promotion and improvement of air service. As of June 30, 1981, there were 32 scheduled airlines serving Arizona travelers; 17 of which were commuter carriers.

CIVIL AERONAUTICS BOARD ACTIVITIES

During the past year, the CAB continued to progress toward its ultimate goal of sunset, as prescribed under the Airline Deregulation Act. The air service section actively monitored the impact of proposed changes that preclude the Board's termination of regulatory functions. The CAB's small communities program continued to be of primary concern since seven Arizona communities have been guaranteed various levels of Essential Air Service (EAS) through 1988. Those points protected under the program include Flagstaff, Grand Canyon, Kingman, Page, Prescott, Winslow and Yuma. Douglas' eligibility is pending.

The Arizona Department of Transportation (ADOT), along with the communities of Prescott and Kingman, scored a major victory this past year when the CAB agreed to reconsider the EAS determinations of the two communities. The Board's decision came at a time when the two points were faced with service termination by Cochise Airlines, who claimed they could no longer endure severe financial losses as a result of the Board's neglect.

CAB subsidy pleadings by Cochise and Sky West Airlines were monitored and analyzed, since their individual requests directly affect the quality of Essential Air Service at Kingman, Page, Prescott and Winslow.

The air service section continued to aid the City of Douglas in re-establishing it as an eligible air service point. The section maintained close communications with the CAB while providing statistical data and analyses to support passenger demand. Meetings were coordinated with city, state and CAB officials in order to unify efforts.

AIR SERVICE EFFORTS

A joint publication by the Aeronautics Division and the Office of Tourism was developed to promote air travel within the state. It identified all commuter airlines, their Arizona routes, and specifically focused on tourist travel to the Grand Canyon from Phoenix.

Another project undertaken this past year was an air service market feasibility study. The results will aid in addressing community needs and economic development.